

2021 Employee Benefits Update

Presented by RISQ Consulting



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Today's Presenter:



Joshua Weinstein

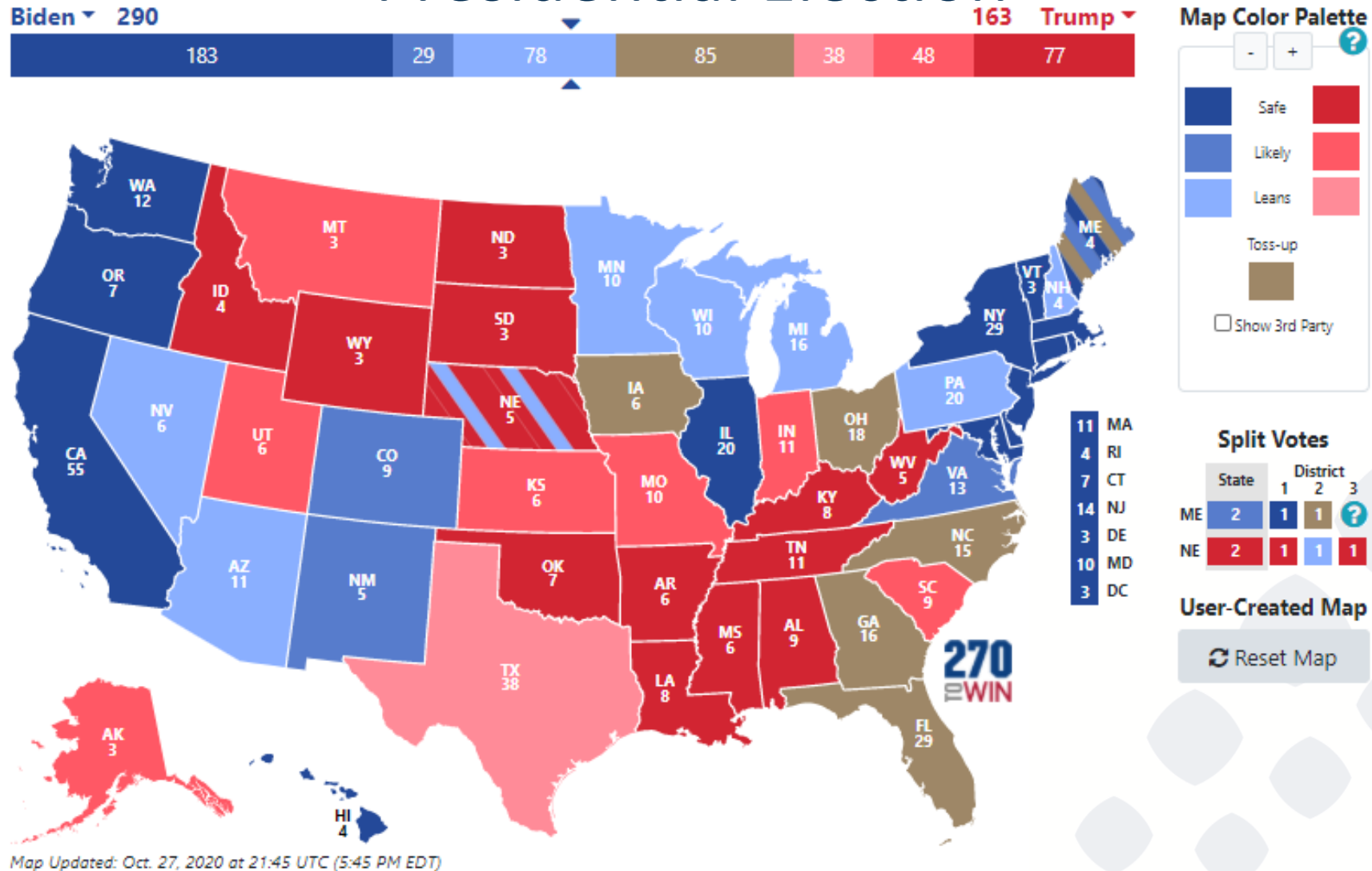
Senior Employee Benefits Consultant
President, Employee Benefits Division
RISQ Consulting



National Politics & Government



Presidential Election



Source: <https://www.270towin.com/maps/consensus-2020-electoral-map-forecast>

Healthcare Policy of Presidential Candidates: Donald Trump

- Replace “Obamacare” also known as the Affordable Healthcare Act (ACA)
- “America First” Healthcare agenda released on September 24, 2020:
 - Commits to preexisting condition protections
 - Provide choice to consumers through AHPs, HRAs, Short-Term Medical plans
 - Executive Order to end surprise billing
 - Prescription Drug discount cards
 - Import drugs from Canada
 - Price Transparency



Sources:

<https://www.whitehouse.gov/issues/healthcare/>
<https://www.whitehouse.gov/briefings-statements/president-donald-j-trump-is-implementing-his-america-first-healthcare-agenda/>
<https://www.whitehouse.gov/wp-content/uploads/2020/09/America-First-Healthcare-Plan.pdf>

Healthcare Policy of Presidential Candidates: Joe Biden

- Protect the Affordable Care Act (ACA)
- Build on the Affordable Care Act (ACA)
- “BidenCare”
 - Employer coverage with a public option, like Medicare
 - Increase subsidy eligibility and tax credits on Individual Marketplace
- Prescription price negotiations
- End surprise billing



BIDEN
PRESIDENT

Joe's Plan for Health Care:

- Give Americans the choice to buy a new public option, or keep their private insurance
- Lower premiums and deductibles
- Stand up to prescription drug corporations

The graphic features a blue circular background with a black stethoscope. To the right of the circle, the text 'BIDEN PRESIDENT' is displayed in a bold, sans-serif font. Below this, the title 'Joe's Plan for Health Care:' is written in a large, bold, dark blue font. Underneath the title, three bullet points are listed, each preceded by a vertical blue line. The background of the entire graphic is a light blue gradient.

Source: <https://joebiden.com/healthcare/#>

Congressional Elections

- The House and Senate are crucial in either furthering or blocking the President's agenda
- The political make-up of the House and Senate after the election may play a big role in the future of healthcare in America
- In Alaska:
 - Senator Dan Sullivan vs. Dr. Al Gross
 - Outside donors are spending a lot of money in Alaska in an attempt to flip the Senate from Republican control to Democratic control

POLITICO

2020 ELECTIONS

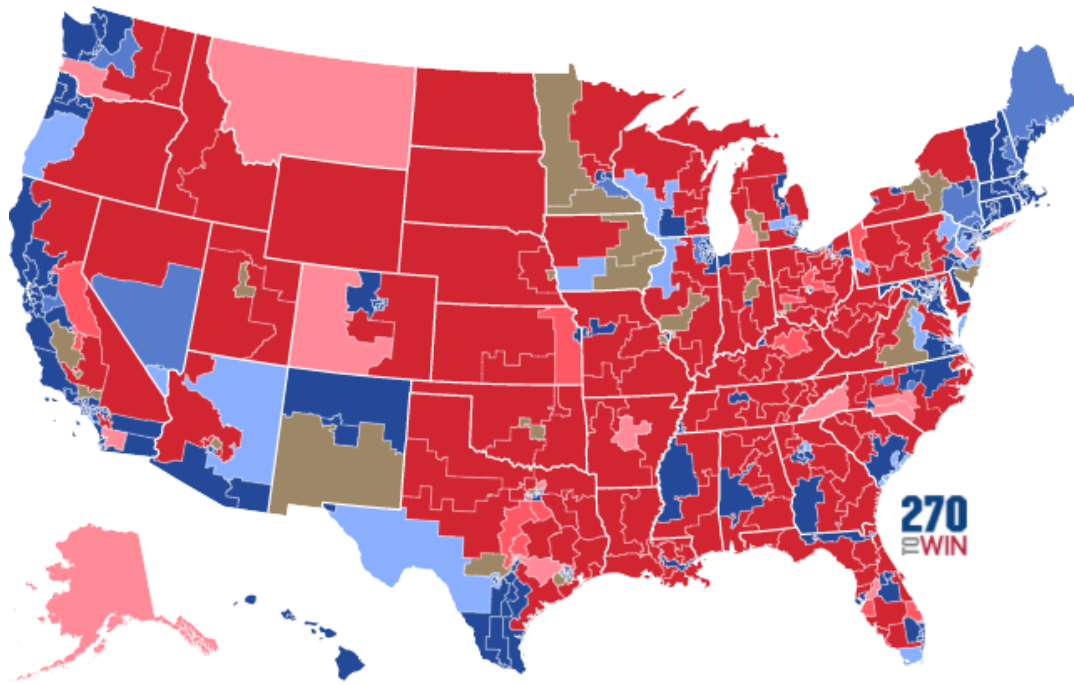
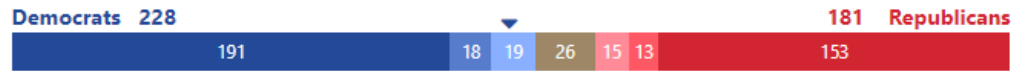
'It's a money bomb': Parties rush to surprising Alaska Senate race

Democratic and Republican outside groups are flooding the state with new spending in the final four weeks of the campaign between GOP Sen. Dan Sullivan and Democratic-backed independent Al Gross.

Congressional Elections



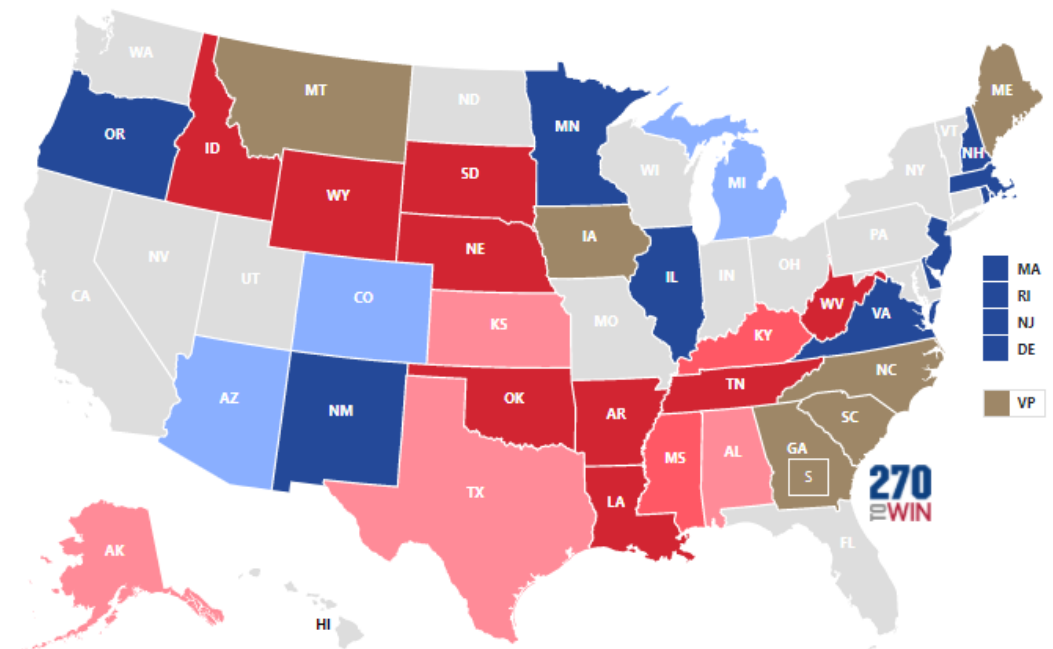
US House of Representatives



Map Updated: Oct. 21, 2020 at 13:01 UTC (9:01 AM EDT)

Source: <https://www.270towin.com/2020-house-election/> (Cook Political Report)

US Senate



Map Updated: Oct. 29, 2020 at 12:16 UTC (8:16 AM EDT)

Source: <https://www.270towin.com/2020-senate-election/>

Congressional Efforts

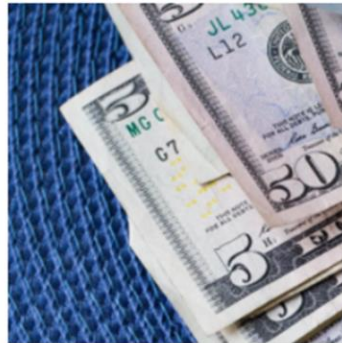
- After Congressional Elections conclude, Representatives and Senators are likely to continue efforts on another stimulus package
- Congress has considered an additional stimulus package for months
- Will there be additional Paycheck Protection Program (“PPP”) funding?
- Will the FFCRA be extended?

Our next stimulus package: The 3 biggest things that are holding up a deal

Why hasn't another COVID relief package passed? Here's what we know.



Clifford Colby, Shelby Brown, A
Oct. 29, 2020 7:15 a.m. PT



YOUR MONEY MINDSET

Lawmakers have been discussing second \$1,200 stimulus checks for 5 months. Why those payments are still uncertain

PUBLISHED MON, OCT 12 2020-12:14 PM EDT | UPDATED MON, OCT 12 2020-1:17 PM EDT



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KEY POINTS

- Millions of Americans want to receive another \$1,200 stimulus check from the U.S. government.
- While Republicans and Democrats seemingly have agreed on those payments, whether they'll be sent out is still uncertain.
- Here's how negotiations over the last five months have gotten us to where we are today.

California v. Texas

(Also known as Texas v. United States or Texas v. Azar in lower courts)

- The administration's argument hinges on Congress' decision in 2017 to remove the individual mandate, the tax penalty for not purchasing insurance.
- According to the White House's position: Removing the individual mandate invalidated the entire law because the remaining provisions were intended to work in tandem
- The Supreme Court agreed to consider three critical legal questions in the case:
 - Whether Texas and the other plaintiffs have legal standing
 - Whether the individual mandate was actually rendered unconstitutional by Congress in 2017
 - If rendered unconstitutional, whether the entire law must be struck down as a result

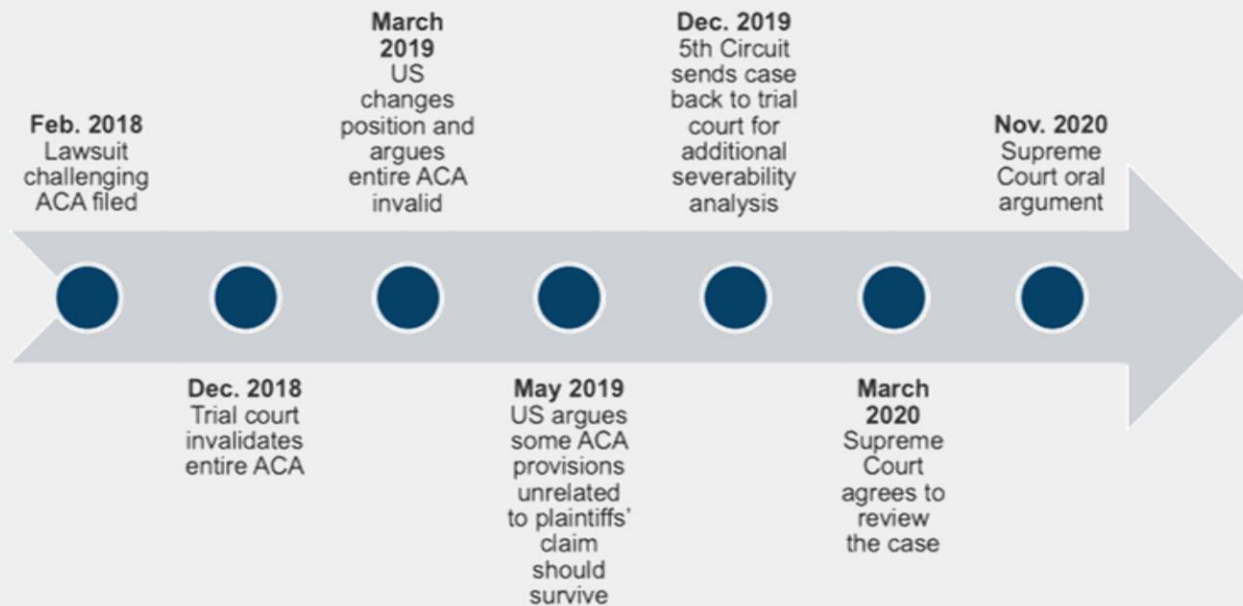


Source: Zywave

California v. Texas

(Also known as *Texas v. United States* or *Texas v. Azar* in lower courts)

Key dates in *California v. Texas*



If the individual mandate is deemed unconstitutional, but the remainder of the ACA is upheld, then little will change from the current state of affairs.

If the ACA is struck down, then nearly everyone in the country will be affected.

Sources:
Zywave
www.kff.org/health-reform/issue-brief/explaining-california-v-texas-a-guide-to-the-case-challenging-the-aca/

Supreme Court

- The Supreme Court expected to hear oral arguments on California v. Texas (ACA Case) starting on November 10, 2020
- Judge Amy Coney Barrett nominated on September 26, 2020, and confirmed by the Senate on October 26, 2020
- How will a new justice impact the Court's ruling on the ACA Case?



Supreme Court

- Maine Community Health Options v. United States
- ACA provided for risk corridor payments to help insurers during the first three years of the ACA
- In April 2020, the United States Supreme Court ruled demanding Congress to keep promise to pay insurers \$12 billion in unpaid ACA funds
- Moda Health received \$250 million from this lawsuit

Moda wins long-shot \$250 million lawsuit against federal government

Posted Apr 27, 2020



The U.S. Supreme Court ruled 8-1 Monday in favor of health insurers like Moda Health in Portland. (AP Photo/Mark Tenally) AP



By [Jeff Manning](#) | [The Oregonian/OregonLive](#)

Nearly four years since a financially desperate Moda Health filed what seemed like a longshot lawsuit against the federal government, Monday brought a shocking development: Moda won.

The U.S. Supreme Court ruled Monday that the federal government owes Moda and other health insurers an estimated \$12 billion promised as part of the Affordable Care Act. A newly Republican-controlled Congress reneged on the promise in 2014, in what some called an effort to sabotage the signature achievement of the Obama administration.

COVID-19 & Employee Benefits



COVID-19 & Small Employers

- Rates for 2021 were filed in April/May 2020 already
- The size of future premium increases will likely depend on:
 - Effectiveness of policies to mitigate the spread of the virus
 - Potential for new waves of COVID-19 infection
 - Costs of a vaccine or therapeutic agents.
- Also consider any pent up demand

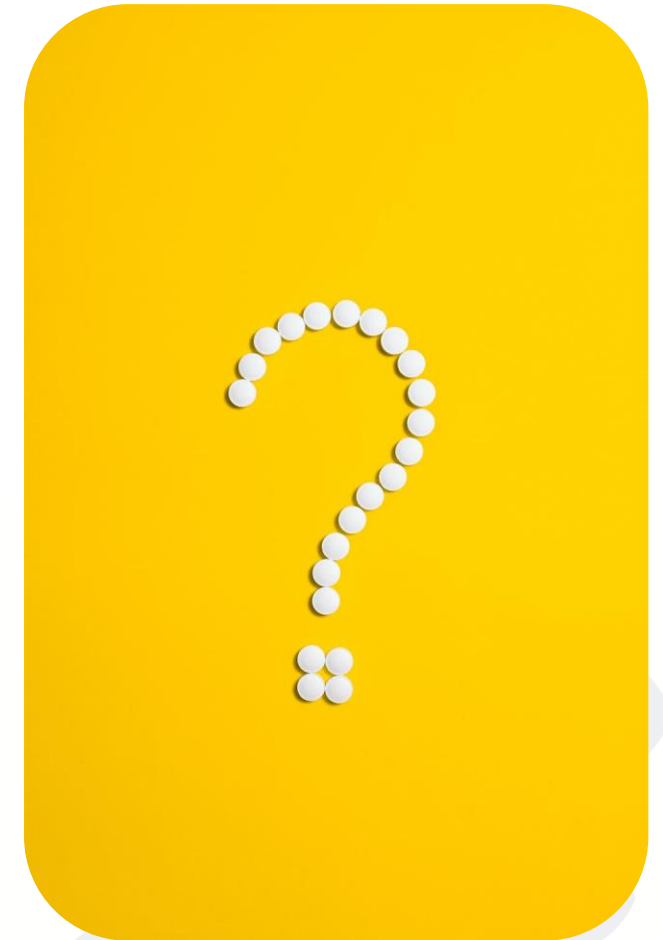


Source: www.shrm.org/resourcesandtools/hr-topics/benefits/pages/employers-health-care-costs-expected-to-rise-due-to-coronavirus.aspx

Pent Up Demand

- Experts are at odds about whether or not there will be dramatic increases in 2021 due to pent-up demand.
- According to Christopher Nadeau, regional executive vice president at Gallagher's benefits and HR consulting division,

“Actuarial analysis for similar crises, typically natural disasters, show that lack of access to facilities and health providers resulted in short-term claim reductions for scheduled and non-urgent care. Surprisingly, our analysis has consistently shown that **close to 50 percent of those variable claims never show up back in the health care system. There is not a dollar for dollar pent up need for care that will emerge once the U.S. gets back to business as usual.**”



Source: <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/employers-health-care-costs-expected-to-rise-due-to-coronavirus.aspx>

COVID-19 & Self-Funded and Large Employers

- Claims impact costs year over year for large group Fully-Insured and Self-Funded plans
- Fully-Insured Plans – Your insurer chooses what is covered, which will dictate costs in future years
- Self-Funded Plans – You can amend coverage to cover testing and/or treatment to better control and predict costs



Source: <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/employers-health-care-costs-expected-to-rise-due-to-coronavirus.aspx>

The Cost of COVID-19



- According to Willis Towers Watson COVID-19 Cost Analysis (includes medical care and prescription drugs):
 - About \$250 for mild cases.
 - \$2,500 for moderate cases.
 - \$30,000 for severe cases requiring an inpatient hospital stay
 - Close to \$100,000 for catastrophic cases requiring intensive care
- Costs vary by individual (example: smokers are expected to see higher health care costs)
- Employers can combat costs by steering employees to telemedicine/virtual care or Urgent Care providers for less-severe symptoms, instead of encouraging emergency room visits for non-emergent needs

What does all of this mean for your organization?



Alaska Market Update



Employers are Making Changes for 2021

- Companies who are looking to make changes for 2021, are looking at the following options:
 - 32% are expanding **virtual or telehealth programs**
 - 25% are enhancing **mental health support**, such as employee assistance programs or additional services
 - 20% are increasing **cost-sharing for plan expenses** such as deductibles, premiums or co-payments
 - 16.5% are adding or expanding **voluntary benefits**
 - 13.5% are augmenting **services for managing high-cost claims**, including specialty pharmacy claims



Source: <https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/planning-2021-benefits-changes-for-the-covid-19-era.aspx>

Encourage Preventive Screenings

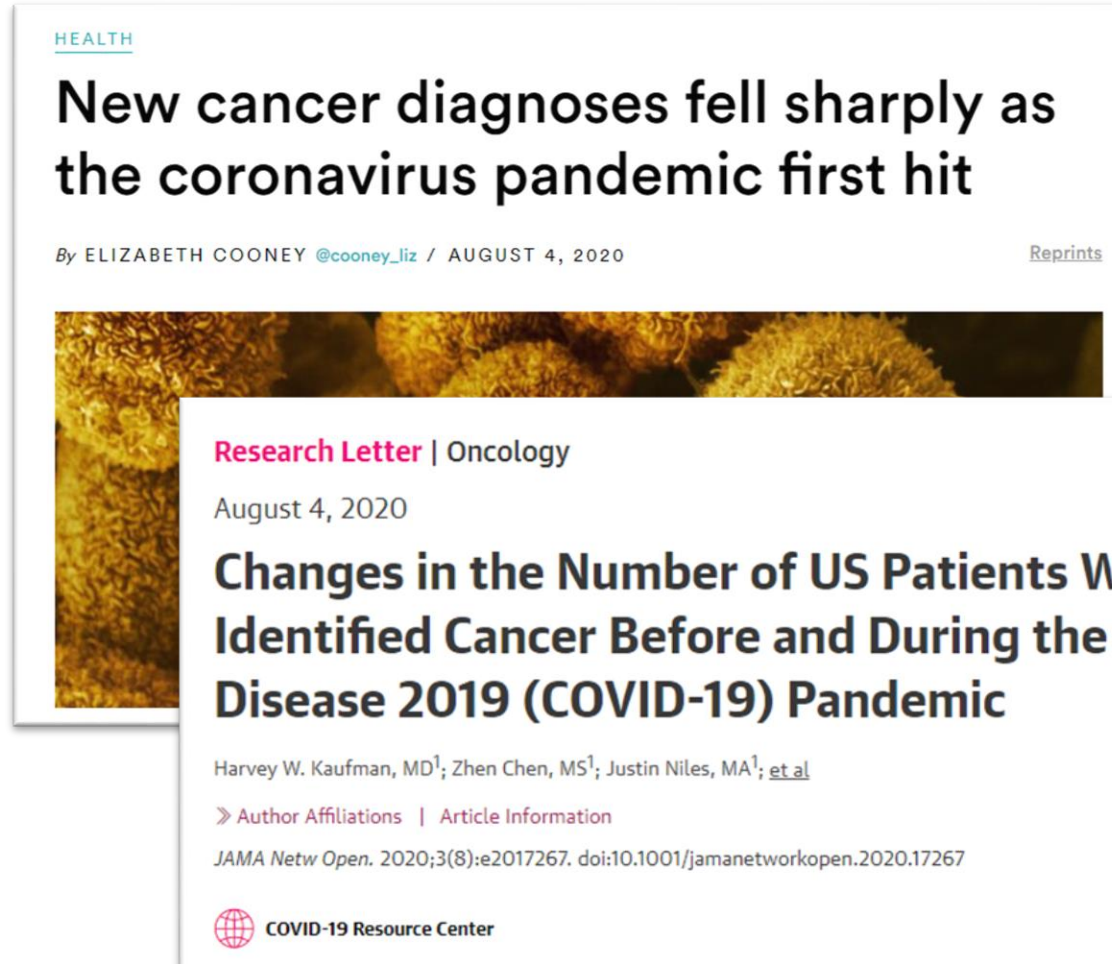
- Decrease in cancer screenings = Decrease in cancer diagnoses
- “[S]creenings for breast, cervical and colon cancer dropped by around 90% after the declaration of the COVID-19 national emergency. Between March 15 and June 16, an estimated 285,000 breast cancer screenings, 95,000 colon cancer screenings and 40,000 cervical exams were missed.” – CancerHealth.com
- “During the pandemic period, the number of newly identified patients with any of the six cancers [breast, colorectal, lung, pancreatic, stomach or esophageal cancer] fell by 46%, from 4,310 to 2,310 per week.”
- Worse outcomes are expected

Sources:

<https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2768946>

<https://www.statnews.com/2020/08/04/new-cancer-diagnoses-fell-sharply-after-coronavirus/>

<https://www.cancerhealth.com/article/covid19-leads-drop-cancer-diagnoses>



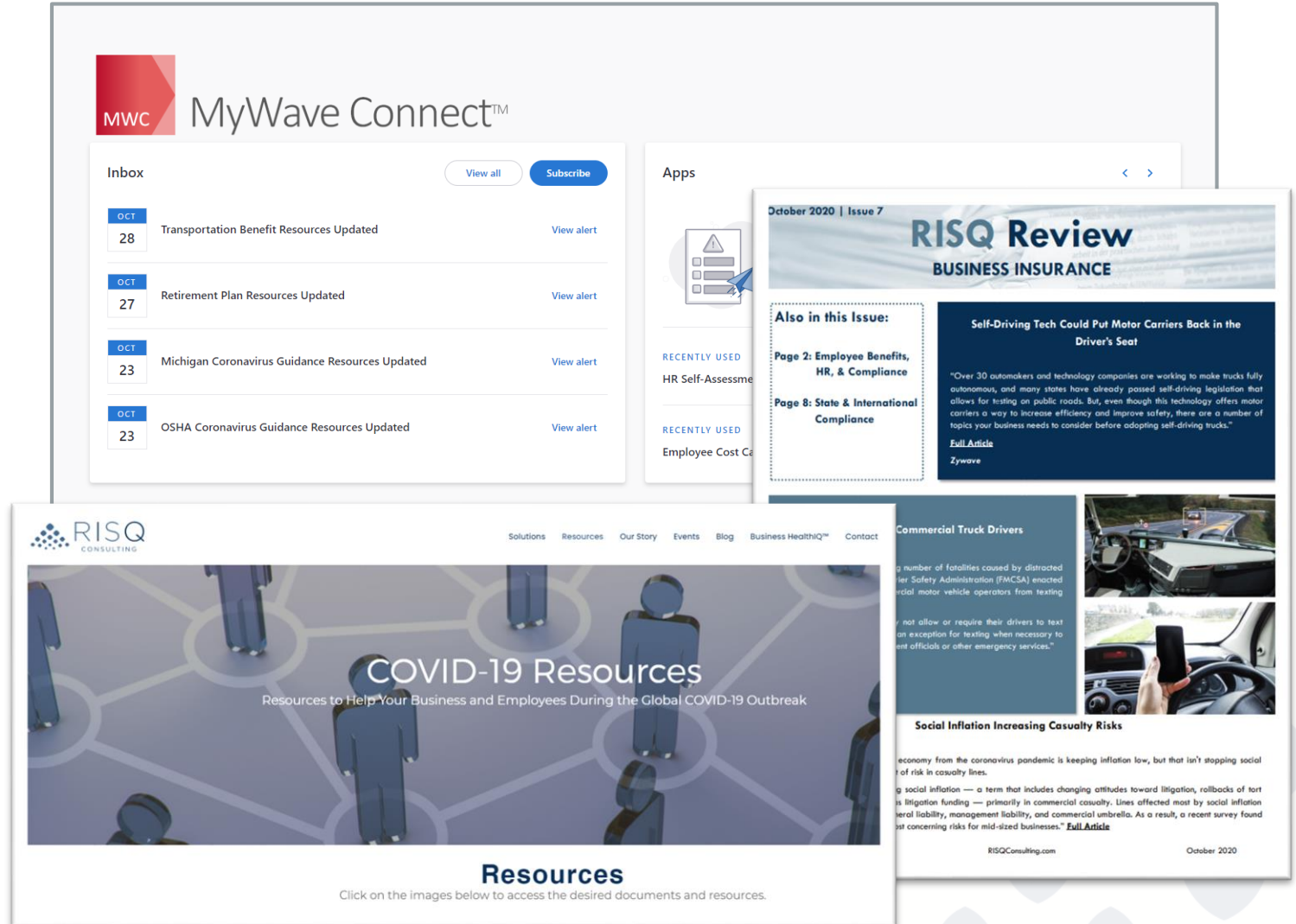
Consider How You Do Open Enrollment

- Electronic vs. Paper Enrollments
- Passive Enrollment vs. Active Enrollment



Be Aware of Changes that Impact Your Workforce

- FFCRA Emergency Paid Sick Leave & Emergency Family Medical Leave Act
- COBRA Coverage Extension
- FSA Plan modifications
- RISQ Consulting supports you with:
 - RISQ Review
 - MyWaveConnect Portal
 - View recorded webinars and resources: risqconsulting.com/covid-19-resources/



How can you support your employees?

- Survey employees to see how they are doing
- Promote Employee Assistance Program (EAP) to employees, if you have one
- Promote your health plan's behavioral health benefits
- Promote telehealth services (including options for virtual behavioral health providers)
- Encourage preventive screenings
- RISQ Consulting webinar with JAMHI Health & Wellness, Inc. about Workplace Wellness
 - View the recording at <https://risqconsulting.com/covid-19-resources/>



What's Still to Come?

- More investment in the healthcare space
- More technology to aid in healthcare delivery
- Insurance Industry is ripe for innovation and disruption



Questions?

Please use the Q&A Box to submit any questions. Or, use the “Raise Hand” button to be unmuted and ask a question.

Thank you for attending today!